

01049

1989/05/14

1 B1 111-14187
E3

Bureau of Intelligence and Research

WEEKEND EDITION

DEPARTMENT OF STATE

IS/FPC/CDR

Date: 12/5/91

RELEASE

() DECLASSIFY

EO Citations

EXEMPT

IN PART

IA Exemptions

Exemptions

TS authority to

() CLASSIFY as () S or

() DOWNGRADE TS to () S or

The USSR and China at the Summit: Common Goals, Enduring Differences

The May 15-18 summit in Beijing will be the first between top Chinese and Soviet leaders in three decades. Although little of substance is expected to result from Mikhail Gorbachev's meetings with Deng Xiaoping and other PRC officials, the summit is important as a symbol of how much relations have improved already and the willingness of both sides to focus on opportunities rather than obstacles.

The Soviet Union and China had drifted far apart since the 1950s, reflecting differing historical traditions, national security objectives, and domestic agendas. In the past few years, reformist leaderships in both countries have perceived a number of shared objectives that have enabled the two countries to find a basis for cooperation in several areas, such as trade and cultural exchanges, and to ease tensions along their border.

Although both countries want improved relations, the USSR made most of the concessions that led to the summit, reflecting Moscow's strong interest in the economic and political benefits of better relations as well as Beijing's skill in extracting concessions. Both countries are currently preoccupied with domestic problems. This has served to ease tensions but also to underscore the enduring differences between the two nations.

Deng and Gorbachev: Domestic Prospects and Problems

Despite substantial differences in age, background, and experience, both Deng and Gorbachev approach the May 15-18 summit as reformers who have attempted to impose far-reaching changes on their countries. Each is using and at the same time reshaping the centralized political structure he inherited to enhance the power and prestige of his country and the ruling regime. Both have enjoyed some success, but each has been stymied by the slowness of institutional and attitudinal change. The extent

of their success or failure may not be known until well into the next century; it is likely that their ambitions and demands will prove too great and their timeframes too limited given their countries' capacities for change.

Inside

**Sino-Soviet Relations:
What We Can Expect
From the Summit**

7

Warning Notice: Sensitive
Sources and Methods
Involved

SECRET/NOFORN/NOCONTRACT/ORCON
Declassify: OADR (multiple sources)

940427, 17634

Gorbachev and Deng clearly want to use the summit to promote a peaceful environment for development and to enhance their ability to cooperate and compete with the West and Japan. They also have important domestic goals. Both will use the summit to enhance their legitimacy and power and to bolster their place in history by healing the Sino-Soviet rift created by Mao, Khrushchev, and Brezhnev.

With his international prestige high and a newly strengthened domestic political position, Gorbachev hopes this foreign policy success will help him impose his agenda and policies on a recalcitrant party and state bureaucracy. He needs, moreover, to impart momentum to his economic reform program. Deng, by contrast, faces diminishing personal popularity and a regime authority crisis at home, despite a 10-year record of impressive economic gains. He hopes the summit will increase his ability to dictate the succession and the future direction of reform.

Compared with the situation one year ago, Gorbachev appears stronger domestically and Deng and General Secretary Zhao Ziyang weaker than either party might have expected. Given the uncertainty of China's post-Deng direction and the severity of strains in the leadership, Gorbachev will visit Beijing knowing that the leaders he meets and the policies they represent could change at any time, perhaps as soon as at the party plenum expected just weeks later. Moreover, the stagflation and leadership floundering in Beijing do not provide a good case study for radical reform.

Chinese leaders, meanwhile, will be preoccupied with domestic concerns. They will be particularly sensitive to any grandstanding by Gorbachev, especially on the issue of political reform—a fact of which he is surely aware. They are even more discomfited at the thought of Gorbachev addressing a public audience than they were of President Reagan doing so during his 1984 visit. In the current context, the summit may be of limited help to either leader. Both may lean toward caution in dealing with sticky bilateral and regional problems and remain content with burying old grudges and getting acquainted.

Deng and Gorbachev: Similarities...

Vision of the Future. Both Deng and Gorbachev have sought to reinvigorate the communist party to become a modernizing elite in the transformation of their countries. They want their countries to compete in a world where ideology is discounted and economic and commercial competitiveness are important indicators of national strength. Each leader has a vision of his country as a world power, respected for its industrial production, level of education, and contribution to world science and technology, as well as for its military power. But each also knows that his country has failed to meet the test of international competition and must run to stay in place.

Institutions... Both leaders have had to fight internal party struggles and have had to prod an unresponsive and inefficient state structure into action. In each country the central bureaucracy has been unwilling or unable to adapt to the decentralization of economic decisionmaking. In China, moreover, the weakening of central control over planning and prices and the diffusion of power have less often enhanced efficiency and more often created a new scale of official corruption.

...and People. The public in both the USSR and China has shown its contempt for the party and the state, in good part because the predecessors of Deng and Gorbachev had pursued policies that discredited these institutions. Although circumstances of the decline in prestige of the communist parties have differed, one of the more difficult tasks faced by both leaders has been to use these discredited institutions yet try to reform them.

Some segments of Chinese society have shown a sharper acquisitive and entrepreneurial instinct than their Soviet counterparts; Chinese peasants in particular have taken well to reforms strengthening the role of the marketplace. At the same time, it seems that many urban Chinese and as well as Soviets in general have been reluctant to forgo the security and social leveling inherent in the old order and continue to look to the state to satisfy many of their needs.



Reuters/Bettmann Newsphotos

China's top leader, Deng Xiaoping.



CPSU General Secretary Mikhail Gorbachev.

Another problem shared by the two leaders is that of a periphery with sometimes only faint loyalty to the center. This is a more acute problem for the Soviet Union, where ethnic diversity has been given greater scope for expression under Gorbachev's policies of *glasnost*. But Beijing has its periodic problems with Tibet and Xinjiang and, more important, faces the challenge of creating a truly national economy and society when the economic and cultural gap is growing between the interior backwater provinces and the runaway coastal regions.

Political Style. Gorbachev and Deng also share a number of similarities as politicians. Both are consummate manipulators of individuals, factions, and organizations in forming and directing coalitions. They are ruthless in discarding liabilities, as Deng did with Hu Yaobang and Gorbachev did with Boris Yeltsin, both in 1987.

Deng and Gorbachev know how and when to compromise and generally they have been careful not to get too far ahead of the consensus they have

shaped and within which they work. Deng's recent problems indicate a deterioration of his formerly deft touch, caused in part by old age but more by the emergence of new social forces released over the past decade. Deng has failed to create institutions and procedures through which nonparty social groups can articulate and pursue their interests. Such problems do not face Gorbachev with the same intensity at this early stage of reform, but he too may have set in motion forces that will in time become increasingly difficult to control.

...And Differences

Enormous differences in experience and background have set Deng and Gorbachev apart in many ways. When Deng returned to power in 1978 he had an almost unassailable aura and prestige dating to the earliest days of the Chinese Communist Party, including participation in the Long March. Except for brief periods of disgrace, Deng had participated in the upper levels of the party for decades and could quick-

ly shape a coalition to carry out fundamental reforms. And yet his strong identification with other revolutionary elders and consequent inability to thoroughly repudiate the past have hobbled his progress in political reform.

Given his advanced age even in 1978, Deng had to move fairly quickly to establish a workable succession arrangement to enable him to withdraw slowly from public affairs while his junior colleagues gained the needed experience and prestige to carry on without him. China for a time appeared slated to experience a painless and orderly transition to the leadership of Hu and Zhao, but the process has broken down under the precipitate pace of change and has left politics in a far higher state of disarray than had seemed likely even three years ago.

For his part, Gorbachev rose through the ranks of the party in the Khrushchev and Brezhnev years, skillfully cultivating the right people during the so-called years of stagnation and in the process avoiding making enemies. Until after he came to power there was nothing in Gorbachev's public record to hint at the ferocity of the drive and ambition that has become his hallmark in the past four years.

At 58 years of age, Gorbachev has no interest in establishing a framework for succession. He does not want to create an heir apparent who could challenge him, and a great deal of his political activity appears directed at keeping Politburo colleagues off balance. Gorbachev has been very successful at this, and has in the process been able to accumulate an increasing amount of power into his own hands through the reorganization of the party and state structures.

Deng: Riding the Tiger

One year ago, Deng decided to speed up Sino-Soviet normalization by agreeing to hold a summit with Gorbachev while China's three obstacles (Cambodia, Soviet troops on the border, and Afghanistan) were still in the process of resolution. This tactical move to reward and encourage Gorbachev yet retain the means of modulating the relationship was motivated by two considerations: US-Soviet improve-

ments offered a window of opportunity for a normalization that would benefit rather than hinder China's global interests; and a summit promised dividends for Deng's domestic agenda.

Deng then had plans for launching a major price reform initiative, pressing ahead with military reforms premised on a peaceful environment, and then passing on the baton as Central Military Commission chairman to his current designated successor, Zhao. Gorbachev coming to call would have served nicely to showcase Deng as senior communist statesman and pioneer of reform and international detente. With a series of successes in train between the 10th anniversary of the start of his reform program (December 1988) and the 40th anniversary of the PRC (October 1989), Deng could then retire having remedied Mao's errors and charted a new path for China, putting it in the vanguard of the larger socialist community.

Dashed Expectations. On both the foreign and the domestic fronts, the situation on the eve of the summit is not quite as tidy as Deng had hoped. With US-Soviet relations moving more slowly, Soviet-Japanese relations still frigid, and a Cambodian resolution not yet in sight, Beijing has had to do some fancy footwork in recent months to reassure the West. The sandwiching of Gorbachev's visit between Premier Li Peng's trip to Tokyo, the US naval visit to Shanghai, and National People's Congress Chairman Wan Li's visit to Washington makes this point, as does Beijing's insistence on eschewing an official communique format for the now-standard joint press communique highlighting Sino-Soviet differences—notably over Cambodia—as well as points of agreement. This handling of the summit reflects Deng's hand at the tiller, holding in abeyance the pressures for a more equidistant policy.

Leadership Crisis. Deng's domestic problems may have spurred efforts to reiterate a "lean to the West" so as to shore up positive foreign attitudes toward China. The sudden and harsh economic retrenchment of late 1988 put price reform on indefinite hold in the wake of runs on the banks. The program has yet to stem double-digit inflation, while signs

of economic stagnation and caution on the part of foreign investors are emerging.

Efforts to dampen criticism of the regime during the annual sessions of the National People's Congress in March have backfired; demonstrations in Beijing from April 18 to May 4 gave voice to widespread concern in the urban elite over backtracking from reform. Amazingly, the reformers in the course of one year have managed to alienate all of their natural constituencies—intellectuals, who complain of meager salaries and repression; students, who gripe that only officials and their children get ahead; and local officials and rural entrepreneurs, whose enterprises are pinched by retrenchment. Foreign and domestic disgruntlement with the Chinese leadership has been fueled by sudden, rapid progress toward democratic political reform in not only the Soviet Union and Eastern Europe but also East Asia including Taiwan, which by comparison makes China look slow and backward.

Deng's personal reputation has nosedived because of these developments. Events have spurred an overall reevaluation in the elite of the reform strategy and policies of the past decade and have encouraged

conservative leaders to attack Zhao as the main executor during that period. Unflattering comparisons of Deng and Mao in their waning years have flourished with the emergence of massive antiregime demonstrations, recalling those on the eve of Mao's death in 1976.

Deng's dismissal of Hu in January 1987 and de facto shelving of political reforms under way in 1986 (like Mao's peremptory dismissal of Peng Dehuai in 1959 which opened an era of repression) appear in retrospect to be serious strategic mistakes, mistakes that have become an albatross for all the reformers. As student demonstrators impolitely put it, "He who should have lived has died and he who should have died still lives." Their estimate of Deng no doubt slipped further when they got word of his call for a crackdown on demonstrators even if violence ensued (which younger leaders have thus far ignored). From taxi drivers to diplomats, Chinese affirm openly to foreigners their desire that Deng pass from the scene as soon as possible.

And yet no one in the leadership has a clear mandate to succeed Deng. Zhao, arguably the most reform-minded and well-informed leader, is now hob-



Reuters/Bettmann Newsphotos

Student demonstrators alongside police cordon in Tiananmen Square hold up banners calling for freedom and democracy.



CCP General Secretary Zhao Ziyang

bled by the popular perception that he abetted Hu's fall and the slowdown in political reform, that he has been ineffectual in repackaging and implementing economic reform, and that his family members are involved in corruption—a neuralgic point with the Chinese public.

Chinese students and intellectuals complain that China needs a Gorbachev. But Chinese leaders are not about to welcome his support or advice, as Li made clear when he told the press that China will not follow any foreign model, including the Soviet model, for reform.

The Gorbachev Paradox

Gorbachev is coming to China with his international prestige high and his domestic political position strengthened by bloodless purges last autumn and this spring. He calculates that his visit to Beijing will benefit him internationally and domestically as it will demonstrate that his policies have led to the reversal of the stunning strategic setback sustained when Mao defied the Soviet Union and created the Sino-Soviet split.

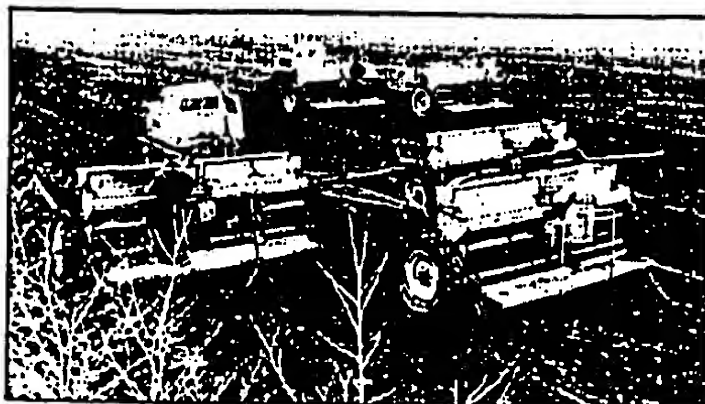
At the same time, Gorbachev is in the paradoxical position of having strengthened his political position while his economic reform program is coming apart at the seams. He faces a dangerous deficit, growing inflation, declining availability of consumer

goods, and an intractable farm problem. The growing popular perception in the Soviet Union, moreover, is that these problems have been caused or aggravated by Gorbachev's economic programs.

Learning From China?

It is doubtful that Gorbachev expects the Chinese to teach him how to get out of his economic morass. Over the years, Moscow has shown an interest in Chinese economic reforms, but it appears to have concluded that there is little that can be transferred to the Soviet context. The most obvious reform, to emulate Chinese agricultural practices that have proved so successful, has been rejected. The long-awaited March 1989 Central Committee plenum on agriculture restricted itself to a series of half measures that will do little to reverse the parlous state of Soviet farming.

Elsewhere, the Soviets see the Chinese wrestling with many of the same problems that they face in carrying through economic reform: in general, how to derive the benefits of a market economy



Spring sowing at the Shirokoye State Farm in the Crimea.

without losing central control over decisionmaking; and specifically, how to carry out a reform of prices, planning, and supply allocation in an economy of shortages and growing inflation.

Gorbachev may see one area where the Chinese experience is instructive, applying the Maoist principle of learning by negative example to the latest

round of student demonstrations in China. Although he gained tactically from the recent elections to the Congress of People's Deputies, Gorbachev undoubtedly is concerned by the burst of antiestablishment sentiment that marked those elections.

Gorbachev may well conclude that the deep reserve of popular discontent shown by the elections, if not handled carefully, might in time lead to large-scale political demonstrations similar to those in China. An added element of concern for Gorbachev would be that such demonstrations could become the means whereby nationalities and other discontents could find a common ground for opposition to the regime. This may lead Gorbachev to mute his populism for a time and align himself with those who want to go slow in democratizing.

The Challenge of Revolutionary Transformation

It is common to note the different strategies pursued by Deng and Gorbachev as they have gone about reforming their countries, with Deng emphasizing economic and technological change to create a basis for democratic reforms and Gorbachev reshaping the party and state organs to pave the way for economic change. In fact, this difference merely reflects the current needs of each leader.

Gorbachev began an extensive economic reform program in 1987 but soon concluded that such a program had to be built on a fundamentally altered political foundation. And Deng at several points has pursued an approach somewhat similar to Gorbachev's: critiquing Maoist and Stalinist dogma; reorganizing the secretariat and state council; streamlining the bureaucracy; decentralizing control over economic resources; and retiring elderly opponents of change, especially ideologues and military figures. Such efforts in 1980-81 opened the way to the economic policy breakthroughs of 1982-84.

The 1985 economic fluctuations in China—a spending binge by provincial officials, reined in at the cost of recession—in turn convinced Deng and his lieutenants to resume radical ideological and political reform in 1986, which ended abruptly in the stu-

dent demonstrations and the fall of Hu Yaobang. Since then, political stalemate owing to heightened succession struggle has been as much cause as symptom of continuing socioeconomic difficulties.

The challenge for both leaders is to forge a leadership consensus with public support sufficient to pursue a steady drive that coordinates well-planned economic, political, and cultural reforms. Beyond this, both leaders must overcome institutional and attitudinal obstacles to change that have roots deep in the history of their countries.

Gorbachev has drive, skill, personal charisma, and relative youth—factors that may enable him to begin in his lifetime a fundamental reform of the Soviet Union. Deng in the brief last period of his life apparently has been able only to point China in a new direction. Thus, the summit joins two leaders, one of whom is leaving an ambiguous legacy of half-success and growing rancor within his country, the other just beginning to put a mark on his country but already facing deep problems.

For all the problems Gorbachev faces, Deng must envy him the time and the opportunity denied to Deng by Mao's prolonged stranglehold on power. Perhaps, from the wisdom gained by experience, Deng may remind Gorbachev that reform is a revolution but revolutions take a long time and tend to devour those who try to carry them out.

(CONFIDENTIAL)
(C. L. Hamrin, INR/EAP; J. Sontag, INR/SEE)

Sino-Soviet Relations: What We Can Expect From the Summit

Gorbachev's visit to Beijing May 15-18 will mark the first meeting between the senior leadership of the PRC and the USSR in 30 years. Gorbachev's official host will be PRC President Yang Shangkun, but his key meeting will be with Deng, as de facto paramount leader (not in his sole official capacity as head of the Central Military Commission). Gorbachev will also meet Zhao, Premier Li Peng, and chair-

man of the Chinese People's Political Consultative Conference Li Xiannian.

Gorbachev will leave Beijing for Shanghai (P) May 18.

He is scheduled to depart China before a US naval visit to Shanghai. The Chinese clearly intend the ship visit to serve as a pointed reminder of the importance Beijing attaches to US-China relations but have accommodated Soviet requests to delay the visit until a day or two after Gorbachev's departure.

Normalization and Its Discontents

The Chinese have persistently downplayed the significance of the summit, which they characterize as the beginning rather than the culmination of normalization of relations. Both sides have repeatedly assured third-party interlocutors that the summit will not mean a return to the "big brother-little brother"

alliance of the 1950s, nor will it adversely affect the interests of third parties.

Apart from high-level contacts and party and military ties, Sino-Soviet relations have been effectively normalized for some time. Relations began to improve with the gradual development of economic and lower level official exchanges beginning in the early 1980s. The pace of progress increased noticeably after Gorbachev's Vladivostok speech in 1986. Deng deemed Gorbachev's subsequent efforts to address China's three obstacles sufficient to justify a summit, although the obstacles have not been resolved to China's satisfaction.

Improved US-Soviet relations also have been a factor in China's summit calculus, with Beijing striking a delicate balance between Moscow and Washington. China does not want to fall too far behind as Washington's ties with Moscow improve, but at the same time it does not want to damage its priority relations with the US.



The times have changed: Soviet demonstrators outside the Chinese Embassy in Moscow in March 1969 bear banners declaring: "The Policy of the CPSU is the Policy of Proletarian Internationalism" and "The Policy of Mao Serves Imperialism!"



Gorbachev and his wife visit Vladivostok's trade center "Okean" (Ocean) in July 1986.

Moscow Shines the Spotlight on the Summit

From the Soviet perspective, the summit caps a lengthy normalization process and in itself is the major success of Gorbachev's Asia policy. Although the Soviets will have their own items for the summit agenda, they believe specific issues should take a backseat to the mere fact of Gorbachev's presence in Beijing.

China's Interests in the Summit

Beijing's agenda for a summit is generally less ambitious than that of Moscow, which sees the summit as sending a signal to all of Asia. Gorbachev's desire to paint on a larger canvas may explain Moscow's patience with Beijing's continued foot-dragging during the buildup to the summit. The Chinese hope to benefit from reduced tensions, enabling them to devote more resources to the civilian economy as it undergoes a transition from central planning to market socialism. For Deng, the summit will also wrap up the loose end of his ambitious foreign policy agenda, now that relations with the West and Japan rest on a reasonably stable foundation

and progress is being made toward reunification with Hong Kong and, to a lesser extent, Taiwan.

Resumption of Party Ties

Gorbachev's meeting with Zhao will signal de facto resumption of communist party relations. The Chinese will insist that any reference to party ties in the summit communique include a statement of principles governing relations, including autonomy, equality, and noninterference. Gorbachev will probably be able to accommodate the Chinese, much as he did the Yugoslavs a year ago.

With the diminished salience of the international communist bloc, neither side is stressing party ties as a cornerstone of future relations. Both sides may instead view party relations as the proper framework for examining mutual experiences with economic and political reforms. Beijing has stressed, however, that party ties will not result in coordination of policy and that China will not adopt the Soviet model for reform.

Concrete Results

The summit partners have been negotiating the terms of the joint statement—most likely in the form of a joint press communique—to be issued at the end of the visit. The Chinese have fended off Soviet desires for a more formal and sweeping statement of principles governing future relations, preferring a document listing areas of disagreement—particularly Cambodia—as well as agreement.

The communique undoubtedly will include both a section calling for future relations based on the five principles of peaceful coexistence and an antihegemony clause, which the two sides agree are in conformity with Gorbachev's "new thinking" and Deng's "new international political order."

Because the five principles are also part of the Shanghai communique, they are particularly appropriate from Beijing's point of view as a basis for China's relations with the superpowers. The summit partners may also announce agreement in principle

to a visit to Moscow by a Chinese leader, possibly Premier Li.

Economic Cooperation

Reportedly no economic agreements will be signed during the summit, but a joint economic commission will meet subsequently to discuss such cooperative economic projects as Soviet refurbishment of Chinese factories, possibly including use of Chinese labor in Siberian development projects. Economic relations have improved substantially during the 1980s. The Soviet Union is now tied with South Korea as China's fifth largest trade partner with total trade worth about \$3 billion in 1988.

Other possible agreements include exchanges in science and technology and space cooperation. Even so, the USSR and China will continue to look to the West for state-of-the-art technology, credit, and foreign investment necessary for modernization and economic development.

Details on Soviet Troop Withdrawals

The Soviets have indicated that at the summit Gorbachev will provide details of Soviet plans to withdraw 200,000 troops from Asia and 60,000 from the southern USSR, as announced at the UN last December. Withdrawal of three-quarters of Soviet troop strength from Mongolia is scheduled to begin May 15, the day Gorbachev arrives in Beijing.

Gorbachev conceivably could announce still further cuts in Soviet forces in Asia. Hints appeared in the Soviet press that such cuts were possible provided China went along with Moscow's plans for the summit. These cuts could include naval forces; the Soviets have enough outmoded ships to cut some fat without reaching muscle, in effect streamlining their forces. According to press reports, the Chinese plan to press Gorbachev on Cam Ranh Bay.

The Chinese have shown little flexibility on the major issues, however. Still, an announcement could be made at the summit scheduling the first session of

the military-diplomatic working group—to which the Chinese have agreed in principle—on reduction of tensions along the border. Convening of this group may have to await further progress toward a border agreement, however. In any case, Gorbachev's SNF offer during the Baker-Shevardnadze ministerial raises the odds of an analogous move by Gorbachev in Beijing.

Border Agreement Unlikely

A border agreement probably will not be ready by the time of the summit, although the working group on the western sector increased its efforts to reach an agreement during April. The main sticking point in the eastern sector appears to be sovereignty over Heixiazi Island; negotiation on the western sector only began recently.

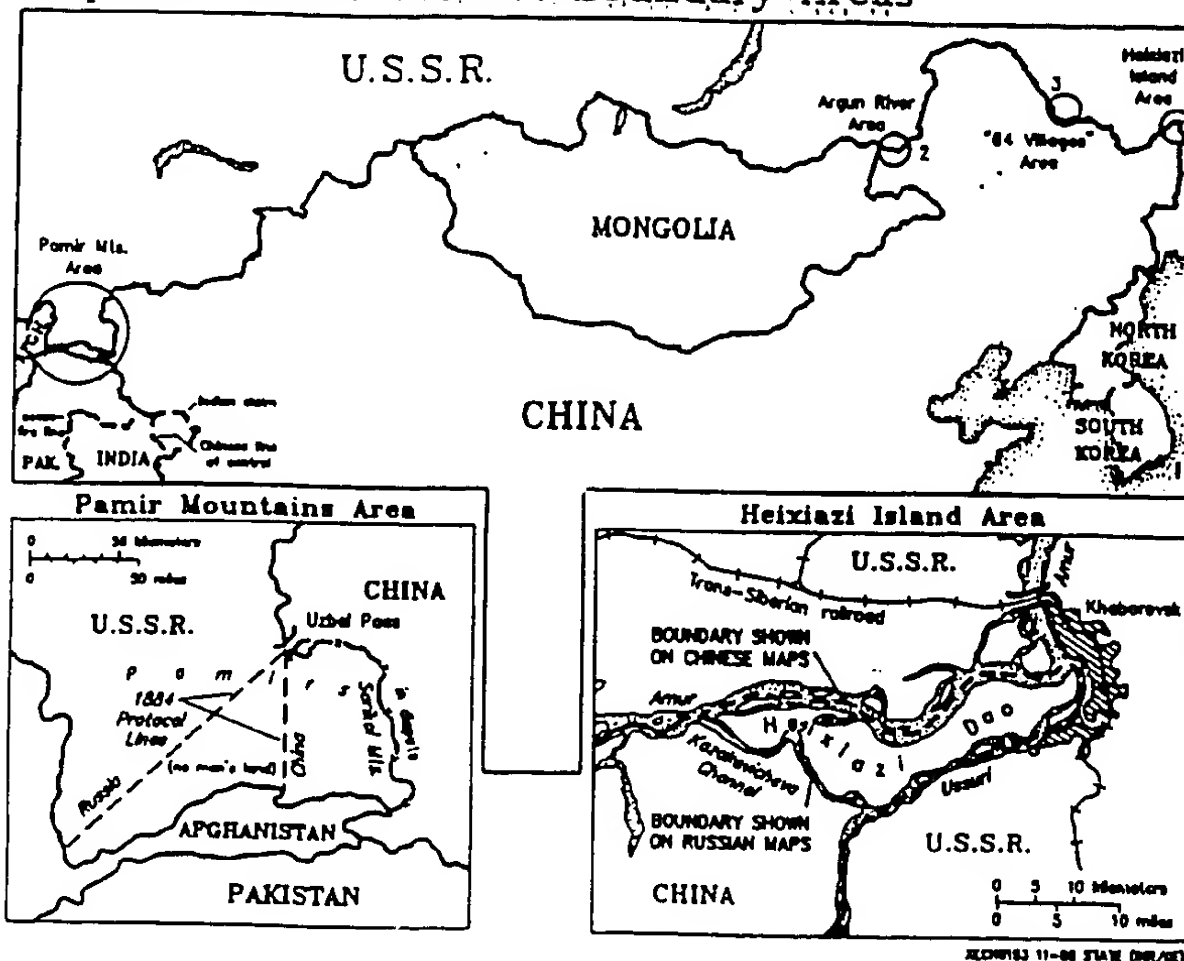
The Soviets appear interested in a comprehensive settlement, possibly involving a swap of Heixiazi for Chinese concessions in the west rather than a sector-by-sector agreement. To add momentum to negotiations, Gorbachev might be tempted to announce Moscow's intention to return Heixiazi.

China Highlights Continuing Differences Over Cambodia

Beijing has focused Moscow's attention on Cambodia by describing it as the most important of the three obstacles and a crucial indicator of Soviet intentions. The intricacy of the issues and the multiplicity of actors involved enabled Beijing to moderate the pace of improving relations with Moscow by choosing an issue important to China which is not susceptible to a quick fix. The Chinese are now insisting that Cambodia be a main topic of discussion at the summit itself.

Deputy Foreign Minister Rogachev has had the unenviable assignment of trying to reach an accommodation on Cambodia before the summit, but his visit to Beijing April 22-28 did not result in substantial progress. Discussions apparently may be held down to the wire: Rogachev might return to China

Disputed CHINA-U.S.S.R. Boundary Areas



the day before Gorbachev arrives but will have little opportunity to make enough progress to prevent wrangling at the summit itself.

Moscow would like to improve ties with Seoul and restrain negative reaction by Pyongyang, Chinese and Soviet policies are unlikely to be coordinated.

The Chinese report that "blank spots" remain in the joint press communique owing to disagreement over makeup of the Cambodian government that will preside over the elections, the role of the UN and/or an international conference in overseeing Vietnamese withdrawal and a cease-fire, and the timing of cessation of aid to the resistance. Neither side appears optimistic about the possibility of a breakthrough before or during the summit, given China's insistence on arranging both an internal and an external settlement.

Other regional issues are also on the agenda, including the Korean Peninsula. While Beijing and

Today China, Tomorrow Asia

Two goals underpin Gorbachev's approach to Asia: to change the Asian view that Moscow's role in the region rests solely—and threateningly—on military power, and to gain access to the financial resources available in the robust Asian economies for investment in the Soviet Far East. But before he can engage seriously in the tactical implementation of this strategy, Gorbachev must heal the breach with the PRC. The summit, therefore, should pave the way for an energetic Soviet effort to build ties—particularly

SECRET/NOFORN/NOCONTRACT/ORCON

economic—with such other regional powers as Japan and South Korea, although those bilateral relationships have their own dynamics.

Putting the Three Obstacles Behind Him

In his meetings with the Chinese leadership, Gorbachev will stress that he has addressed and resolved the three impediments to improved Sino-Soviet ties (overlooking that Soviet behavior can be traced to concerns apart from Sino-Soviet calculations). Gorbachev has pulled Soviet troops out of Afghanistan, pressured Hanoi to withdraw from

Cambodia by the end of this September, and undertaken significant drawdowns in Soviet military forces in the Far East, including along the Sino-Soviet border.

Taking the high road, Gorbachev will emphasize that in the wake of these achievements, Sino-Soviet relations can only improve, in keeping with his broader objective of international stability sufficient to provide the breathing space necessary for domestic restructuring.

(SECRET/NOFORN/NOCONTRACT/ORCON)
(D. Kingland, INR/EAP; J. Taylor, INR/SEE)

SECRET/NOFORN/NOCONTRACT/ORCON